

## DECISION MEMORANDUM

**TO:** COMMISSIONER KEMPTON  
COMMISSIONER SMITH  
COMMISSIONER REDFORD  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL

**FROM:** KRISTINE SASSER  
DEPUTY ATTORNEY GENERAL

**DATE:** APRIL 30, 2010

**SUBJECT:** APPLICATION OF ROCKY MOUNTAIN POWER FOR AUTHORITY  
TO INCREASE ITS CUSTOMER EFFICIENCY SERVICES RATE  
(SCHEDULE 191), CASE NO. PAC-E-10-03

On February 25, 2010, PacifiCorp dba Rocky Mountain Power filed an Application with the Commission seeking authority to increase its Customer Efficiency Services Rate (Schedule No. 191). More specifically, the Company proposes to increase the collection for Schedule No. 191 from 3.72% to 5.85% of retail revenue, excluding large contract customers. The Company requests that the Application be processed by Modified Procedure.

### THE APPLICATION

In March 2006, the Commission approved an enhanced set of demand-side management (DSM) programs and cost recovery through Schedule No. 191. Application at 3. The collection rate was initially set at 1.5% of retail revenue. Order No. 29976. In 2008, the Commission approved an increase from 1.5% to 3.72%. Order No. 30543. The Company now proposes to increase the collection for Schedule No. 191 from 3.72% to 5.85% of retail revenue. Application at 5. The Company's Application states that, at 5.85%, Schedule No. 191 will provide approximately \$8.325 million per year, assuming 2008 energy usage levels. *Id.*

The Company asserts that the adjustment is needed to facilitate the funding of ongoing DSM program expenditures and reduce the accrued balance of expenses (yet to be recovered) in the DSM balancing account from \$3.5 million (the April 2010 forecasted balance) to \$2.25 million by April 30, 2011. *Id.* The Company maintains that it will continue to review funding needs on an annual basis to determine whether an increase to 5.85% is sufficient to fund

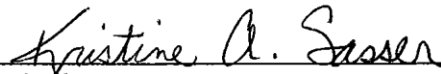
ongoing program expenses and also recover the remaining balance in the DSM balancing account. *Id.* The Company states that administration of the balancing account, including carrying charges, prudence review, and separating these costs from the revenue requirement in general rate cases would continue pursuant to Order No. 29976.

#### **STAFF RECOMMENDATION**

Staff has reviewed the Application and recommends that the case proceed by Modified Procedure. The Company initially requested a May 1, 2010, effective date, but has agreed to suspend the requested effective date to allow adequate time for processing the case. Staff recommends a 28-day comment period.

#### **COMMISSION DECISION**

1. Does the Commission find that the public interest may not require a hearing to consider the issues presented, and that this proceeding may be processed under Modified Procedure?
2. Does the Commission wish to set a 28-day comment period?

  
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Kristine A. Sasser  
Deputy Attorney General

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